

State Trust Land Grazing Fees



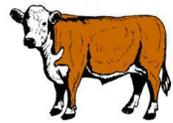
2011 Comparison of State Trust Land Grazing Fees for 17 Western States

STATE	GRAZING FEE	HOW FEE IS SET	ACRES UNDER LEASE	FY2010 GRAZING REVENUE
AZ	\$2.28/AUM	Appraisal of value of forage	8,408,004	\$2,403,080
CA	No set fee	Fair market rate appraisal	24,616	\$7,759
CO	35% less than private	Through independent survey	2,651,950	\$6,162,561
ID	\$5.12/ AUM	By formula	1,415,667	\$1,532,652
MN	\$10-\$40/acre-- varies by county	Per acre basis or by AUM	1,767	\$16,114
MT	Minimum of \$6.12/AUM	7.54 X prior yr weighted beef price/lb	~4,070,000	\$6,483,887
ND	Set by auction	Opening bid based on private markets. Auctioned every 5 years. Fee adjusted for fencing, soils, and weed control.	~ 687,000	\$5,007,855
NE	\$22.50-\$38/AUM or \$5.40-\$41.85/acre	Based on private rates, economics of area, forage, soil types, and credits for lessee's fencing and wells.	1,011,771	\$13,492,766
NM	\$3.19/AUM	Fee formula based on NASS Economic Indices	8,821,745	\$5,216,784
NV	Variable	Greater of average of last 3 yrs Beef Price Index divided by PPI or base value adjusted for inflation.	None	\$0
OK	\$8.34-\$20.83/AUM	Market comparables set minimum at public auction	592,087	
OR	\$5.30/AUM	By formula based on animal gain	~ 621,000	\$356,911
SD	10.82/AUM	Set by statute	760,800	\$4,360,000
TX	\$65-\$150/AUM	Market rate.	638,000	\$500,000
UT	\$3.92-\$7/AUM	Fee formula with higher rent per AUM on larger blocks.	3,170,403	\$790,761
WA	\$8.78/AUM	Private rate less \$2/AUM for services provided on private lands.	550,000	\$677,405
WY	\$4.64/AUM	By carrying capacity of land	3,494,197	\$5,247,021

Source: Bioeconomics, Inc. "Montana Trust Land Grazing Lease Rate Valuation Analysis" (2011).

Table Produced by: Kevin Chappell MT DNRC

2011 Comparison of State Trust Land Grazing Fees for 17 Western States



= Reviewed



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Table Produced by: Kevin Chappell MT DNRC

WYOMING

Stephanie Hardee, Program Manager

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Quick Facts	
Acres leased for grazing	3,471,000
State Grazing Fee (\$/AUM)	\$6.38
Private land grazing fee (\$/AUM)	\$21.50

Rate depends on:

Private Lease Rates
(in ID and Western US)

Prices Paid Index
(PPI)

Beef Cattle Price Index
(BCPI)

WYOMING

Statutory Requirement



<https://www.britannica.com/science/rangeland>

36-5-101. Qualifications of lessees; lease terms; rental.

(a) No person shall be qualified to lease state lands unless that person has reached the age of majority, and is a citizen of the United States, or has declared an intention to become a citizen of the United States. No person or legal entity shall be qualified to lease state lands unless he or it has complied with the laws of this state and is authorized to transact business in this state.

(b) The rental of any lease awarded shall be based on an economic analysis and shall reflect at least the fair market value for the same or similar use of the land based upon a formula adopted by the board using the following criteria:

(i) Readily available data averaged over an adequate number of years to remove any radical fluctuations;

(ii) Factors which reasonably reflect the true market value of state leases;

(iii) Parameters within which the board can be responsive to changing resource conditions, market demand and industry viability;

WYOMING

Board of Land Commissioners Rules and Regulations Chap 4, Section 6



<https://www.britannica.com/science/rangeland>

Section 6. Rentals for Non-Conflicted Leases

(a) The annual rental for all non-conflicted leases shall be the amount bid by the applicant, if accepted by the Board. In no event shall the annual rental be less than the minimum rate established in subsection (b) of this section.

(b) The minimum annual rental shall be:

(i) For grazing land, as established by formula as follows:

Private land lease rate on a per AUM basis, averaged for the five years preceding the current year, as estimated by the Wyoming Agricultural Statistics Service; times the five year weighted average “parity ratio” for beef cattle per cwt. as established by the National Agricultural Statistics Service as an adjustment for changing resource conditions, market demand and industry viability; less 20% to reflect contributions made by the lessee.

<http://lands.wyo.gov/resources/rulesandregulations>

IDAHO

Jason Laney, Program Manager

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Rate depends on:

Private Lease Rates
(in ID and Western US)

Prices Paid Index
(PPI)

Beef Cattle Price Index
(BCPI)

Quick Facts	
Acres leased for grazing	1,779,554
Authorized AUMs	257,370
State Grazing Fee (\$/AUM) (2018)	\$8.02
ID private land grazing fee (\$/AUM)	\$18.00

Fee is currently under review. May increase cost per AUM by 30-50%

Grazing Program Review webpage: <https://www.idl.idaho.gov/leasing/grazing/rate/index.html>



2016-2018 Grazing Program Review

IDL Grazing Business Plan | Grazing Lease Rate Formula

IDL routinely evaluates management strategies for all endowment trust land assets in order to ensure the Land Board is meeting a constitutional mandate to maximize long-term financial returns on the use of the land.

Thanks to input from industry and other stakeholders, the [IDL Grazing Program Business Plan](#) is complete. Now IDL is focused on moving forward with a review of the IDL Grazing Lease Rate Formula.

IDL invites and encourages strong stakeholder participation in the review process.

Grazing Lease Rate Review Formula



UPDATE (8/21/18): During its August 21, 2018, regular meeting, the Land Board discussed the Grazing Rate Methodology Review agenda item. One topic of discussion, related to the existing state grazing rate formula and alternatives previously presented by the Grazing Subcommittee, was clarity regarding non-fee costs potentially incurred by state grazing lessees on state endowment trust lands versus private land grazing leases. The Land Board voted 4-1 to continue using the current Status Quo formula until a comprehensive, up-to-date third-party study is completed on the subject of non-fee grazing costs incurred by lessees on federal public or state trust lands versus private lands.

MONTANA

Shawn Thomas, Division Administrator

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Quick Facts	
Acres leased for grazing (approximate)	4,760,000
AUMs Available	975,766
2018 State Grazing Fee (\$/AUM)	\$11.03
2017 Private land grazing fee (\$/AUM)	\$24.50

Hired Bioeconomics, Inc. to review grazing rate in 2011.
(Report available upon request)



Photo by Hannah Lorsch

MONTANA

Average price per pound of MT beef cattle

Board's "multiplier"
(won't change until approved by Board)

2018 MONTANA STATE LAND GRAZING RATE

The base or minimum rate charged per animal-unit-month (AUM) on state trust grazing lands is calculated annually using a formula set in state law (§77-6-507(2), MCA). That formula takes the average price per pound of beef cattle in Montana for the previous year, times a multiplier established by the Board of Land Commissioners.

Beef cattle prices are provided to the Department each year by the Montana Agricultural Statistics Service. The market year price used to set the 2018 rental rate is \$1.0523/lb.

The current multiplier set by the Land Board in 2011 is 10.48.

The 2018 rate is calculated as follows:

$$\text{\$1.0523/lb.} \times 10.48 = \text{\$11.03/AUM}$$

The decrease from the 2017 grazing rate of \$14.01/AUM is a result of cattle prices falling 21.3% over the last year.

COLORADO

Carol Brown, Northwest District Assistant

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Other Contacts: <https://docs.google.com/spreadsheets/d/11bL0VPIAhYqFHgXjuSN7aS05pvB4-AgAfrqXmTvtSaU/edit#gid=0>

Quick Facts	
Acres leased for grazing	2,780,316
2018 State Grazing Fee (\$/AUM)	\$13.61 - \$19.06
Private land grazing fee (\$/AUM)	\$19.00



Source: <https://www.thefencepost.com/news/its-ranchers-vs-the-blm-in-grazing-allotment-squeeze/>

COLORADO

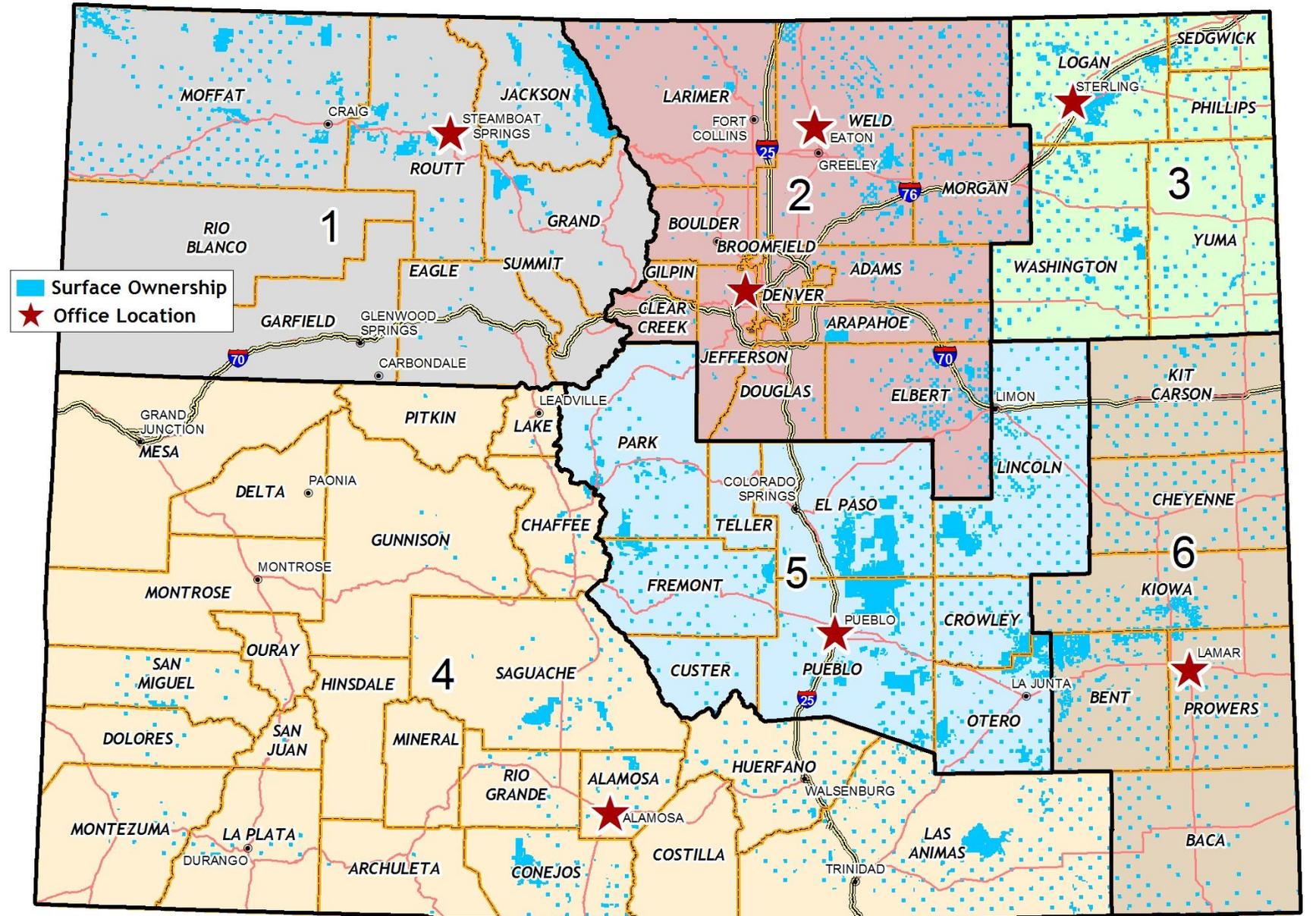
Rates depend on:

Location

Improvement
Ownership

Contiguous or
Scattered Parcels

Private Lease Rates



- #1 Northwest District
- #2 North Central District
- #3 Northeast District
- #4 Southwest District
- #5 South Central District
- #6 Southeast District

COLORADO

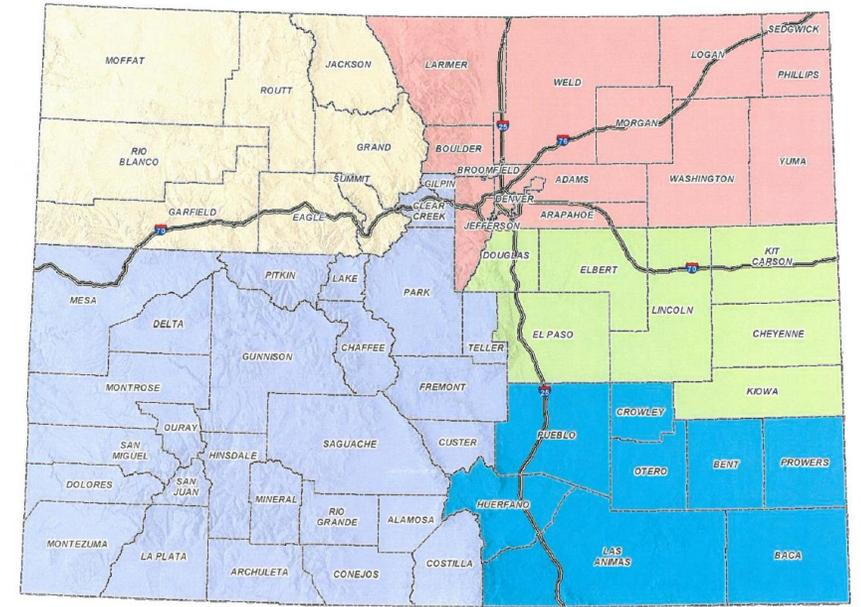
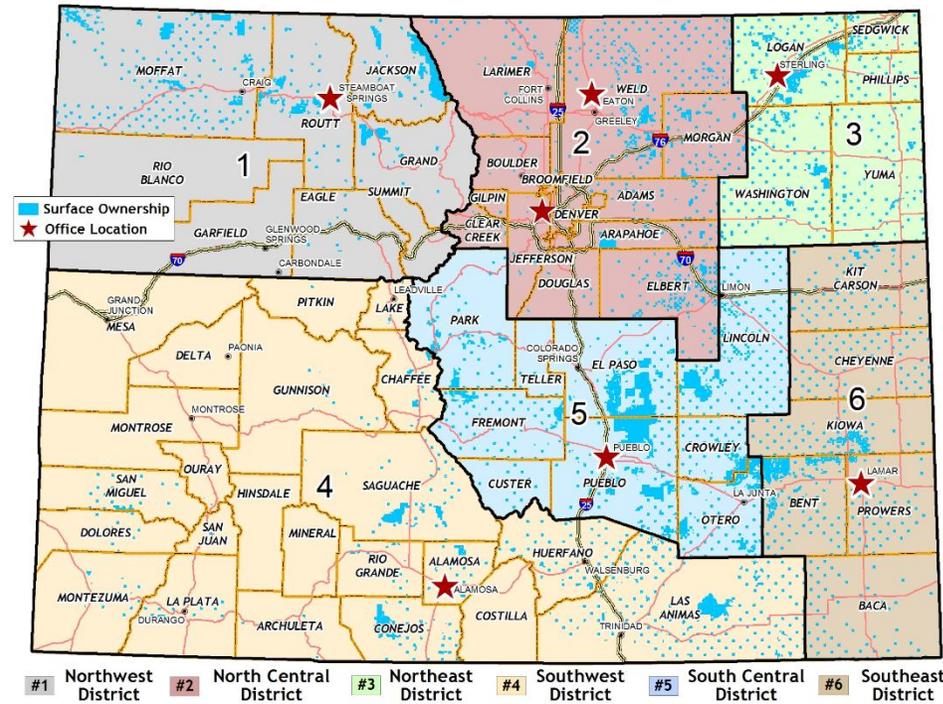
Rates depend on:

Location

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Scattered Parcels

Private Lease Rates



SLB GRAZING REGIONS

COLORADO

Re-Evaluated
Every 3 Years

COLORADO STATE BOARD OF LAND COMMISSIONERS
2016 AUM RATES BASED ON TIERED PRICING OF 2013 CSU SURVEY RESULTS
EFFECTIVE JANUARY 1, 2016

Rates depend on:

Location

Improvement
Ownership

Contiguous or
Scattered Parcels

Private Lease Rates

District 1 Northwest	District 2 North Central			District 3 Northeast	District 4 Southwest			District 5 South Central			District 6 Southeast	
Northwest Region	Northeast Region	Southwest Region	East Central Region	Northeast Region	Northwest Region	Southwest Region	Southeast Region	East Central Region	Southeast Region	Southwest Region	Southeast Region	East Central Region
10- \$ 9.17 11- \$ 9.17 12-\$10.24 13- \$10.24 14-\$10.89 15-\$10.89	10- \$10.78 11- \$10.78 12- \$12.84 13- \$12.84 14-\$14.05 15-\$15.25	10- \$9.13 11- \$9.13 12- \$9.91 13- \$9.91 14-\$10.57 15-\$10.57	10-\$10.38 11- \$10.38 12- \$10.62 13- \$10.62 14- \$10.92 15-\$10.92	10- \$10.78 11-\$10.78 12-\$12.84 13-\$12.84 14-\$14.05 15-\$15.25	10- \$9.17 11- \$9.17 12-\$10.24 13- \$10.24 14-\$10.89 15-\$10.89	10- \$9.13 11- \$9.13 12- \$9.91 13- \$9.91 14-\$10.57 15-\$10.57	10- \$10.52 11- \$10.52 12- \$10.60 13- \$10.60 14-\$11.39 15-\$11.39	10- \$10.38 11- \$10.38 12- \$10.62 13- \$10.62 14-\$10.92 15-\$10.92	10- \$10.52 11- \$10.52 12- \$10.60 13- \$10.60 14-\$11.39 15-\$11.39	10- \$9.13 11- \$9.13 12- \$9.91 13- \$9.91 14-\$10.57 15-\$10.57	10- \$10.52 11- \$10.52 12- \$10.60 13- \$10.60 14-\$11.39 15-\$11.39	10- \$10.38 11- \$10.38 12- \$10.62 13- \$10.62 14-\$10.92 15-\$10.92
2016: Tier 1- 13.61 Tier 2- 12.10 Tier 3- 11.34 Tier 4- 13.61 or negotiated	2016: Tier 1- 19.06 Tier 2- 16.94 Tier 3- 15.89 Tier 4- 19.06 or negotiated	2016: Tier 1- 13.20 Tier 2- 11.74 Tier 3- 11.00 Tier 4- 13.20 or negotiated	2016: Tier 1- 13.64 Tier 2- 12.13 Tier 3- 11.37 Tier 4- 13.64 or negotiated	2016: Tier 1- 19.06 Tier 2- 16.94 Tier 3- 15.89 Tier 4- 19.06 or negotiated	2016: Tier 1- 13.61 Tier 2- 12.10 Tier 3- 11.34 Tier 4- 13.61 or negotiated	2016: Tier 1- 13.20 Tier 2- 11.74 Tier 3- 11.00 Tier 4- 13.20 or negotiated	2016: Tier 1- 14.24 Tier 2- 12.66 Tier 3- 11.86 Tier 4- 14.24 or negotiated	2016: Tier 1- 13.64 Tier 2- 12.13 Tier 3- 11.37 Tier 4- 13.64 or negotiated	2016: Tier 1- 14.24 Tier 2- 12.66 Tier 3- 11.86 Tier 4- 14.24 or negotiated	2016: Tier 1- 13.20 Tier 2- 11.74 Tier 3- 11.00 Tier 4- 13.20 or negotiated	2016: Tier 1- 14.24 Tier 2- 12.66 Tier 3- 11.86 Tier 4- 14.24 or negotiated	2016: Tier 1- 13.64 Tier 2- 12.13 Tier 3- 11.37 Tier 4- 13.64 or negotiated
Eagle Garfield Grand Jackson Moffat Rio Blanco Routt Summit	Adams Arapahoe Boulder Broomfield Denver Jefferson Larimer Morgan Weld	Clear Creek Gilpin	Douglas Elbert	Logan Phillips Sedgwick Washington Yuma	Montrose	Alamosa Archuleta Chaffee Conejos Costilla Delta Dolores Gunnison Hinsdale Lake La Plata Mesa Mineral Montezuma Ouray Pitkin Rio Grande Saguache San Juan San Miguel	Huerfano Las Animas	El Paso Lincoln	Crowley Otero Pueblo	Custer Fremont Park Teller	Baca Bent Prowers	Cheyenne Kiowa Kit Carson

Tier 1: Those leases on which the State Land Board owns most or all the improvements; the rate is initially set at the RFP bid rate or 90% of private rates

Tier 2: Those leases on which the lessee owns most or all the improvements; the rate is set at 80% of private rates

Tier 3: Those leases that are captive to private or federal land; the rate is set at 75% of private rates

Tier 4: Six large contiguous properties: Brett Gray Ranch, Bohart Ranch, Chico Basin Ranch, Lowry Ranch, Chancellor Ranch, and TJ Bar/Gray Ranch

COLORADO

Rates depend on:

Location

Improvement
Ownership

Contiguous or
Scattered Parcels

Private Lease Rates

 [I received a bill for rent due on my lease. Why did the rent go up?](#)

The Land Board tracks grazing rates through a statewide survey of private leases. This survey is typically conducted every three years. Using this data, the Board may adjust rates to reflect the changes in private rates. The Board adopted a tiered grazing rate structure effective January 1, 2016. See the 2016 Grazing Rate Chart for current rates.

Survey contact:

Jeffery Tranel, Colorado State University, 719-545-1845

WASHINGTON

Pat Ryan, Acting Assistant Division Manager

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Quick Facts	
Acres leased for grazing	900,000
2018 State Grazing Fee (\$/AUM)	\$13.60 (scattered); \$8.91 (block)
Private land grazing fee (\$/AUM)	\$14.00

Rates depend on:

Improvement
Ownership &
Maintenance

Contiguous or
Scattered Parcels

NASS “dryland” rate
(use 5-yr average)

WASHINGTON



3 Sisters Farm. Whidby Island, WA.

Grazing fee formula: $\frac{L \times S \times G \times P + A}{(1 + LHT)} = \text{AUM Fee}$

AUM Fee x Unit Equivalent x M = AUM Charge

Symbol explanation:

- L - Proportion of average stockman's investment assigned to land.
- S - Landlord's fair share of land income.
- G - Average pound gain in livestock weight for permitted grazing season, cattle and sheep to be separately computed.
- P - Average past year's selling price of livestock per pound from the reports of the Agricultural Marketing Service of the United States Department of Agriculture.
- LHT - The leasehold tax as established by law and administered by the state department of revenue.
- M - Number of months in permitted grazing season.
- A - Permittee's share of assessments on permit range lands.
- AUM Fee - Fee to be charged per animal unit month of grazing.

OREGON

Sheena Miltenberger, Rangeland Manager

541-388-6072; sheena.miltenberger@state.or.us

Quick Facts	
Acres leased for grazing	622,385
Authorized AUMs	62,867
2018 State Grazing Fee (\$/AUM)	\$9.96
Private land grazing fee (\$/AUM)	\$16.50



Greg Shine (2017)

Oregon rates depend on:

Leasehold size

Carrying Capacity

Animal Gain per Month

Average weighted calf prices (90% of USDA national price data from year prior)

State share (fixed at 20%)

Marketable calf crop (fixed at 80%)



Division 110

MANAGEMENT AND LEASING OF RANGELAND FORAGE

141-110-0080

Compensation

(1) The annual compensation for livestock forage is the greatest of:

(a) \$250;

(b) \$4.25 per AUM; or

(c) The carrying capacity of the leasehold in AUMs multiplied by the annual AUM rate (expressed in dollars per AUM). The Department will establish the carrying capacity for each leasehold, which will be periodically reviewed. For those leaseholds that have highly variable annual forage production, their carrying capacity may be determined based on reliable actual grazing use records for a given year. As a result, the annual rental rate may vary from year to year for such leaseholds.

(2) Each year the Department will calculate the annual AUM compensation rate using the following formula:

AUM Compensation Rate = $G \times CC \times S \times P$

G = Animal gain per month

CC = Marketable calf crop

S = State share

P = Average weighted calf price

(3) For the purpose of determining the base AUM compensation rate, the following formula factors shall be used:

(a) Pounds of gain per animal unit month (G) shall be fixed at 30 pounds through 2009, increasing on January 1, 2010 to 35 pounds.

(b) Marketable calf crop (CC) shall be fixed at 80 percent.

(c) State share of calf gain (S) shall be fixed at 20 percent through 2010, increasing on January 1, 2011 to 22.5 percent, then increasing on January 1, 2012 to 25 percent.

Statutory formula:

<https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=16717>

UTAH

Scott Chamberlain, Resource Specialist

435-893-2979; scottchamberlain@Utah.gov

Quick Facts	
Acres leased for grazing	~ 3,000,000
Authorized AUMs	
2018 State Grazing Fee (\$/AUM)	\$5.82 (Scattered); \$10.05 (Blocks)
Private land grazing fee (\$/AUM)	\$16.50

Rates depend on:

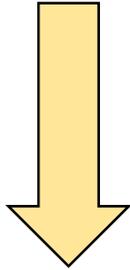
Improvement
Ownership &
Maintenance

Animal Gain per
Month

Average weighted
calf prices

UTAH

$$UTFVI = 1.01787 * UT Priv Lease Forage Ratio$$



$$\text{New Rate} = \text{Last year's rate} * UTFVI$$

Grazing Fee Formula:

The formula adopted by the Board in 2009 essentially is structured to reflect market changes occurring in Utah's private lease rates and is derived through statistical regression analysis of lease rates over the last five decades. It creates an index from current Utah private, non-irrigated lease rates compared to the previous year's private lease rate. The formula is designed to be used each year to establish the index for the next year:

$$UTFVI_t = 1.01787 \times UTFV_{t-1} / UTFV_{t-2}$$

Ratio of last 2 years' private lease rates (from NASS data).

Where: $UTFVI_t$ = Utah Forage Value Index

$UTFV$ = Utah private lease rate (as reported by USDA NASS)

The formula applies private lease rates as reported from USDA National Agricultural Statistics Service (NASS) each year (usually available by February of each year). The 2015 NASS report indicates that the Utah private grazing lease rate is \$16.00 per AUM, up \$1.00 per AUM from the previous year. The private lease forage ratio is therefore recognized as $\$16.00 / \$15.00 = 1.06667$. With the private lease forage value ratio for 2015 being 1.066666, the UTFVI for 2016/2017 is:

$$UTFVI_{2016} = 1.01787 \times (\$16.00 / \$15.00)$$

or, 1.0857

Last year's state rate (either block or scattered rate).

The UTFVI estimate for FY 2016/2017 is multiplied by \$4.93 (TLA_{t-1}) to yield an assessment of \$5.35 per AUM (plus \$0.10 per AUM weed fee) for the 2016/2017 standard grazing assessment.

NEBRASKA

Kelly Sudbeck, CEO/Executive Secretary

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Rates depend on:

Land Quality
including Soil Classes

Annual Meeting with
Field Reps

Private Rates

Quick Facts	
Acres leased for grazing	1,270,000
Authorized AUMs	~2,222,500
2018 State Grazing Fee (\$/AUM)	Case-by-Case*
Private land grazing fee (\$/AUM)	\$39.80

*Limited variation in rates from year-to-year

SOUTH DAKOTA

Mike Cornelison, Land Agent

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Quick Facts	
Acres leased for grazing	760,000
2018 State Grazing Fee (\$/AUM)	\$19.38
Private land grazing fee (\$/AUM)	\$31.50

Rate Characteristics:

Local auctions and market data

State receives 25% of 5-yr monthly calf income and charges that as the \$/AUM rate.

Rate stays same for 5 years and will change to current rate when leases are renewed

SOUTH DAKOTA

State receives 25% of 5-yr monthly calf income and charges that as the \$/AUM rate.

Rate stays same for 5 years and will change to current rate when leases are renewed

$$\$/AUM \text{ Rate} = \left(\frac{\frac{\text{Last 5 years' calf prices}}{5} * 500\text{lbs}}{12 \text{ months}} \right) * 0.25$$

2018 AUM RATE

The AUM rate is calculated by adding the 2013, 2014, 2015, 2016, weighted monthly prices of Medium & Large 1 frame 500-550 pound Steer & Heifer Calves sold in South Dakota (USDA Agriculture, Agricultural Marketing Service) to the 2017 weighted annual prices for Steer & Heifer Calves for a total 5 year price; divided by 5 for an average 5 year price; multiplied to a 500 pound calf resulting in a 5 year average calf income; divided by 12 months for a monthly income; which is multiplied by a 25% factor set by the Commissioner of School & Public Lands, for the 2018 AUM rate.

TEXAS

Kay Creitz

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Rates depend on:

Carrying Capacity

Forage Value (FVI)

Beef Cattle Prices
(BCPI)

Prices Paid Index
(PPI)

No statutory formula

Quick Facts	
Acres leased for grazing (GLO only)	~680,000
2018 State Grazing Fee (\$/acre)	\$0.25 -- \$0.40 (base rate) OR \$65 - \$100 per AU. Usually determined on a Case-by-Case basis
Private land grazing fee (\$/AUM)	\$12.50

NEW MEXICO

David Gallegos,

505-827-5770, dgallegos@slo.state.nm.us

Quick Facts	
Acres leased for grazing	7,787,069
2018 State Grazing Fee (\$/acre)	\$0.66
Private land grazing fee (\$/AUM)	\$15.50

Rates depend on:

Carrying Capacity

Forage Value (FVI)

Beef Cattle Prices
(BCPI)

Prices Paid Index
(PPI)

NEW MEXICO Formula

According to 19.2.8.11, the annual rental for grazing land is determined by this formula:

$$\$0.0474 \text{ (Base Value)} \times \text{Carrying Capacity (CC)} \times \text{Acreage} \times \text{Economic Variable Index (EVI)}$$

The EVI is the ratio of the value of the State Land Office Adjustment Factor (SLOAF) for the current year to the SLOAF for the base year 1987, or 135 (i.e.; $\text{SLOAF} \div 135$)

The SLOAF is determined based on the following three indices described in the Public Rangelands Improvement Act (PRIA), and published annually by the National Agricultural Statistics Service (NASS) of the United States Department of Agriculture (USDA).



NM Dept of Tourism, Jim Orr

Forage Value Index (FVI)¹: A derived index of the relative change in the previous year's average monthly rate per head for pasturing cattle on privately owned land in the West.

Beef Cattle Price Index (BCPI)²: An index of the weighted average annual price for beef cattle, excluding calves, for a given western state area as compared with a specific base period equal to 100.

Prices Paid Index (PPI): An index that measures changes in the prices paid for goods and services used in crop and livestock production and family living.

The formula for calculating the SLOAF is as follows³:

$$-14.92 + (1.57 \times \text{FVI}) + (0.26 \times \text{BPI}) - (0.67 \times \text{PPI})$$

NEW MEXICO Formula

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For EVI

The formula for calculating the SLOAF is as follows³:

$$-14.92 + (1.57 \times \text{FVI}) + (0.26 \times \text{BPI}) - (0.67 \times \text{PPI})$$

NEW MEXICO – Formula Example

$$\$0.0474 \text{ (Base Value)} \times \text{Carrying Capacity (CC)} \times \text{Acreage} \times \text{Economic Variable Index (EVI)}$$

Application of these formulas is illustrated in the following example.

$$\begin{aligned} \text{CC} &= 11 \quad \text{Animal Unit Year (AU)} \\ \text{Acres} &= 640 \\ \\ \text{FVI} &= 460 \quad (16.80 / 3.65 \times 100) \\ \text{BCPI} &= 509 \quad (112.29 / 22.04 \times 100) \\ \text{PPI} &= 946 \\ \text{SLOAF} &= -14.92 + (1.57 \times 438) + (0.26 \times 509) - (0.67 \times 946) = 171.26 \\ \text{EVI} &= 171.26 / 135 = 1.27 \\ \\ \text{Rental} &= \$0.0474 \times 11 \times 640 \times 1.27 = \mathbf{\$423.79} \text{ per year} \end{aligned}$$

As stated in 19.2.8.11(B), “...the annual rental shall not be less than the minimum rent set forth in the schedule of fees nor shall it be decreased or increased by more than thirty-three and a third percent (.333) of the preceding year's rental for the same land.” In practice, this provision is addressed by adjusting the EVI⁴ to avoid having to adjust each lease individually.

What's happening on Federal level?

Public Rangeland Improvement Act (PRIA) Fee Formula of 1978

- ☀ PRIA formula

$$\text{Fee}_t = \$1.23 \times \frac{(\text{FVI}_{t-1} + \text{BCPI}_{t-1} - \text{PPI}_{t-1})}{100}$$

- ☀ Used to set BLM and USFS fees since 1979

- Forage Value Index (FVI)- Private Lease Rates
- Beef Cattle Prices Index (BCPI)
- Prices Paid Index (PPI)
- \$1.23/AUM Base - Public vs. Pvt Grazing Costs
- \$1.35/AUM Floor (Executive Order, mid-80's)

Comparison of State Grazing Fees on Trust Lands, 2001 – 2011

	ID	MT	OR	UT (blocked)	UT (scattered)	WA (lease)	WA (permit)	WY	11 Western States
Average Annual Increase	0.4%	1.2%	4.5%	13.1%	7.0%	2.4%	2.1%	2.3%	2.7%

Source: Idaho Department of Lands Grazing Market Rent Study, 2012, Figure 4.6, p. 64.
<https://www.idl.idaho.gov/leasing/grazing/rate/idl-grazing-mkt-rent-study-reduced.pdf>



<https://uwoextension.org/uwrange/rangeland-resources/>

How are various state grazing-fee determinations similar?

Blocks/Scattered

- UT
- MT
- CO
- WY (State-owned Ranches only)
- OR

State Weight-Gain Share

- OR
- SD
- WA

No Limit on Competitive Bid

- MT
- WA
- OR
- NE
- TX
- UT

Field-Based

- TX
- NE
- NM

5-Yr Averages

- SD
- WY

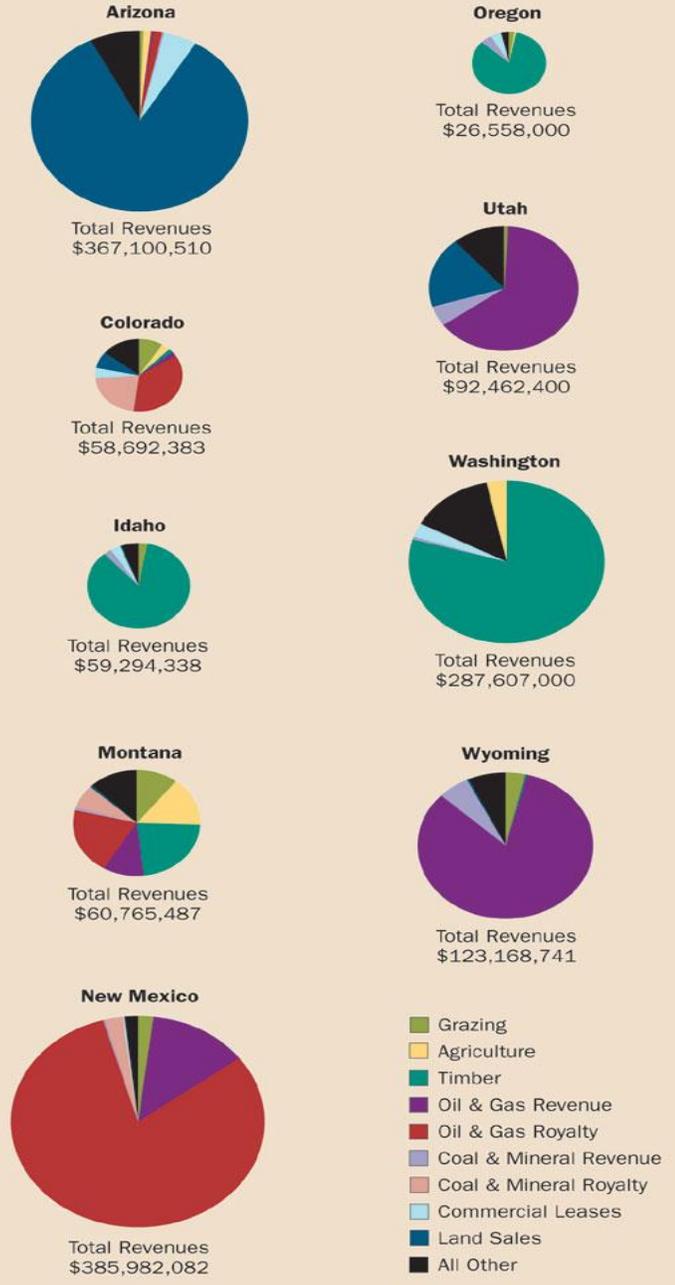
Established Multiplier (using base year)

- MT
- UT
- NM
- ID

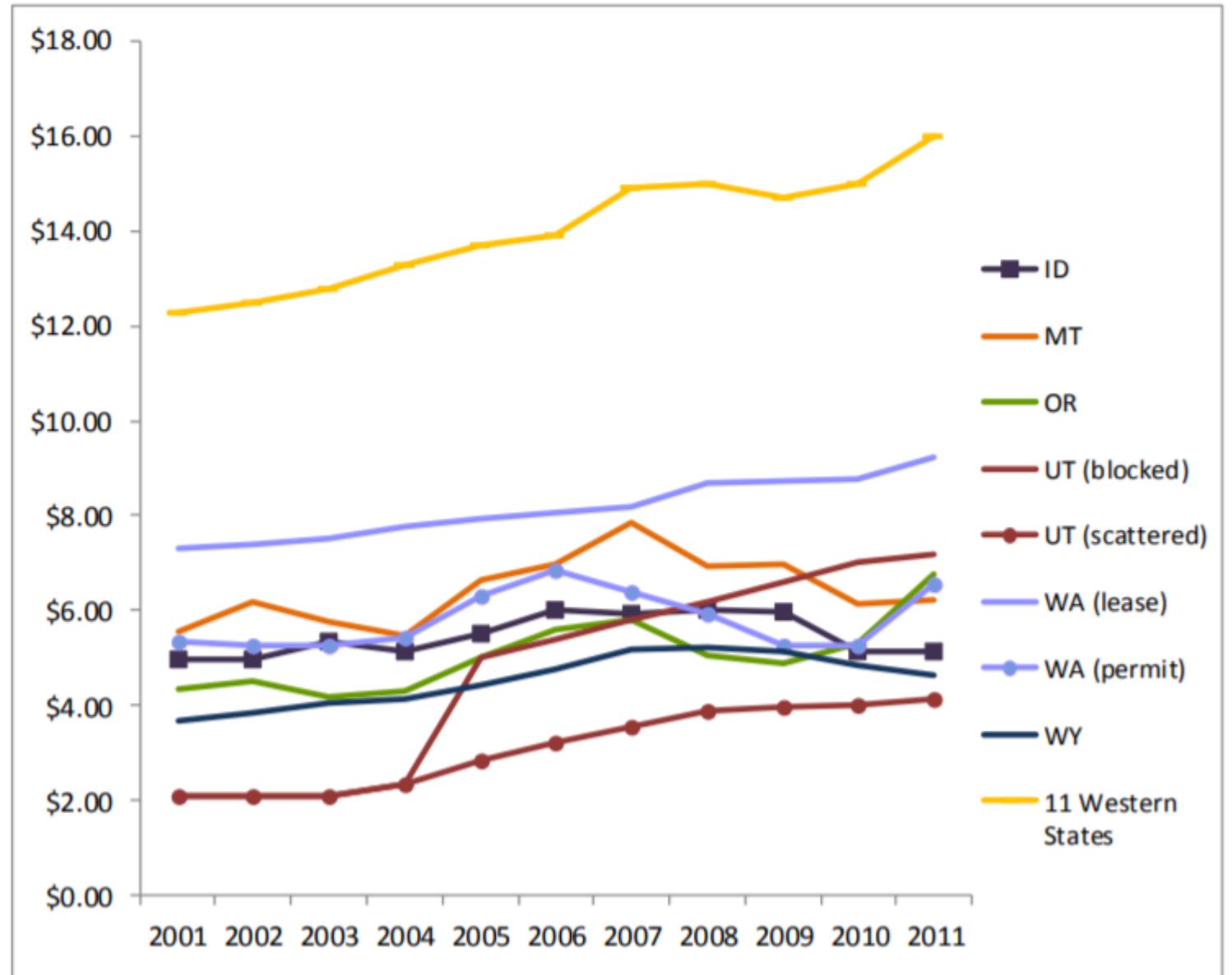
Variable Discounts for % Improvement Ownership

- WA
- CO
- OR

FIGURE 5
Composition and Amount of Revenues Vary Greatly by State, 2005



State Program Grazing Fee Trends, Dollars per AUM, 2001 – 2011



Source: Idaho Department of Lands Grazing Market Rent Study, 2012, Figure 4.1, p. 65.

<https://www.idl.idaho.gov/leasing/grazing/rate/idl-grazing-mkt-rent-study-reduced.pdf>

Private Grazing

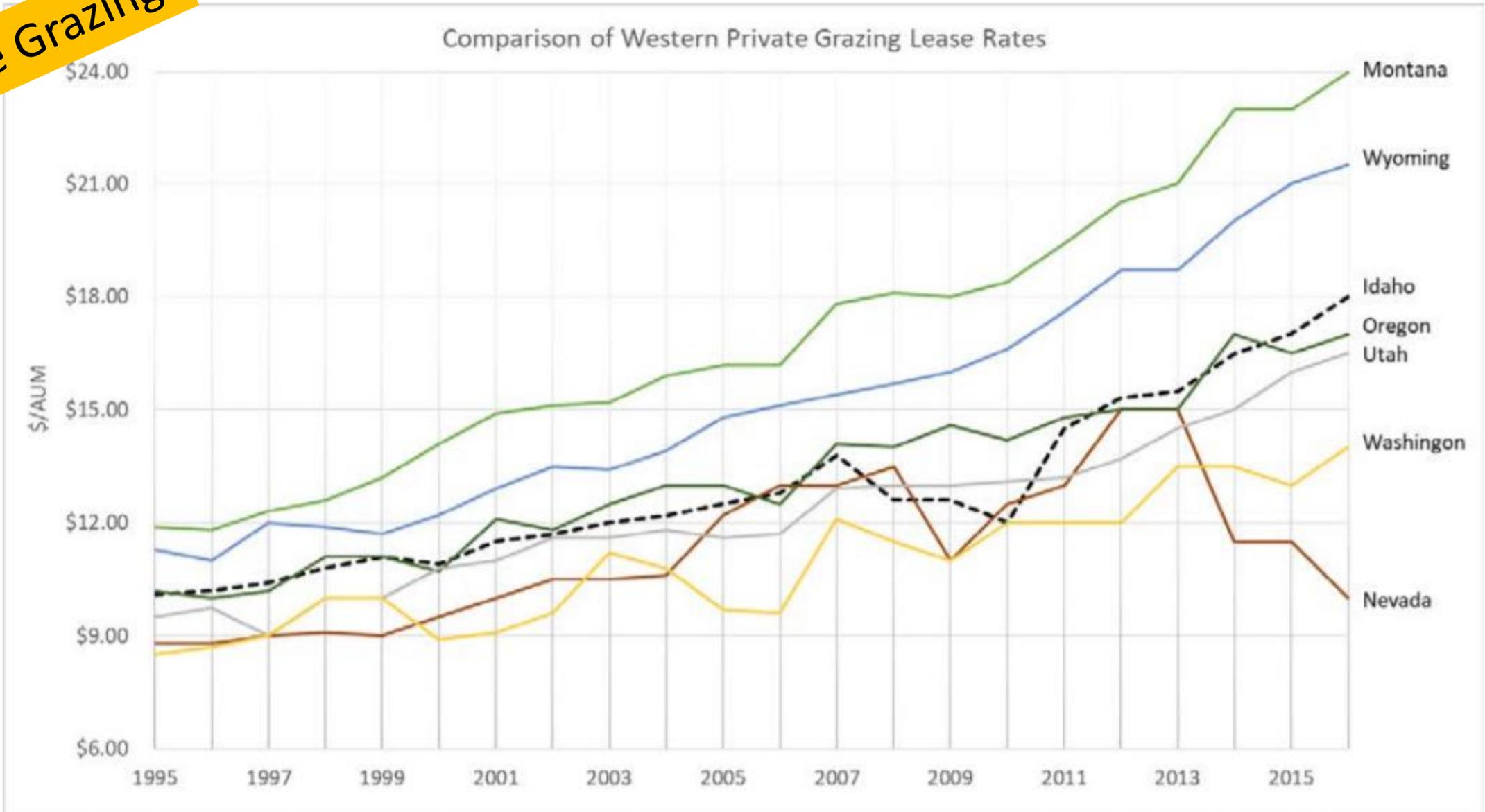
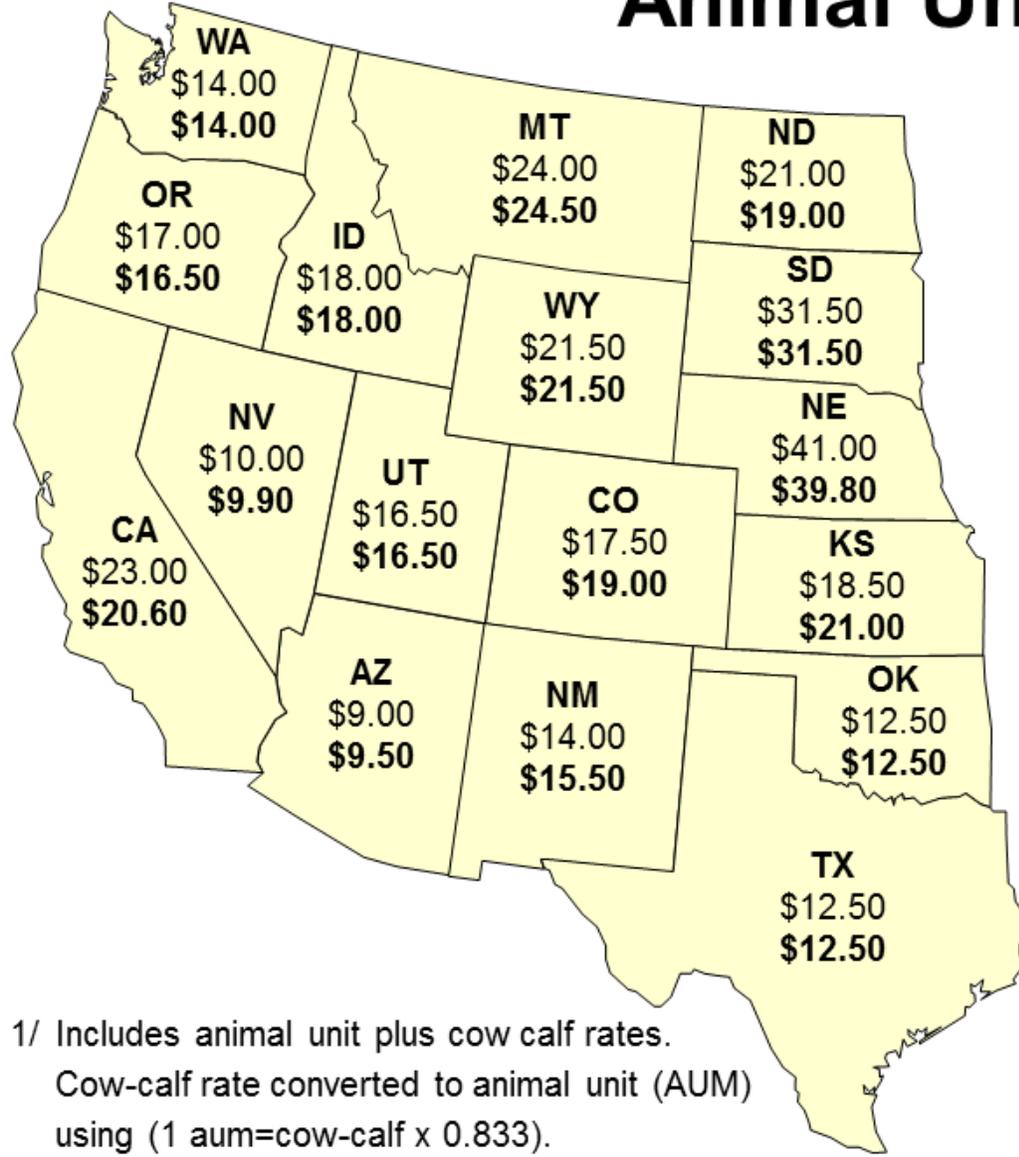


Figure 2. Comparison of select western private grazing lease rates (\$/AUM), 1995-2016.

Private Grazing

17 State Grazing Fees Animal Unit ^{1/}



State Key	2016	2017
17 States	\$20.30	\$20.20
16 States (Excludes TX)	\$22.70	\$22.60
11 States: AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY	\$19.20	\$19.30
9 States: CO, KS, NE, NM, ND, OK, SD, TX, WY	\$20.50	\$20.50

^{1/} Includes animal unit plus cow calf rates.
Cow-calf rate converted to animal unit (AUM)
using (1 aum=cow-calf x 0.833).
(S) Insufficient number of reports to establish an estimate

Summary Table (handout)

STATE	GRAZING FEE (per AUM)	PRIVATE RATE (NASS)	PERCENTAGE OF PRIVATE RATE	HOW FEE IS SET	ACRES UNDER LEASE	AUTHORIZED AUMS
CO	\$13.61 - \$19.06	\$ 19.00	72% - 100%	System adopted 2016. Tracks private grazing rates through annual survey conducted by CSU. Board reviews minimum rates ever 3 years. Apply a 10-25% discount regional private rate according to lessee ownership of improvements on state land.	2,780,316	--
ID	\$ 8.02	\$ 18.00	45%	Formula based on federal PRIA with Idaho-specific index set in 1993. Currently under review by 3rd party.	1,779,554	257,370
MT	\$ 11.03	\$ 24.50	45%	Average price per pound of beef cattle in MT from previous year multiplied by a multiplier established by the Board (drawn from results from a study conducted by a 3rd-party).	4,760,000	975,766

Summary Table (cont.)

STATE	GRAZING FEE (per AUM)	PRIVATE RATE (NASS)	PERCENTAGE OF PRIVATE RATE	HOW FEE IS SET	ACRES UNDER LEASE	AUTHORIZED AUMS
NE	\$27.45 - \$44.00	\$ 39.80	69% - 110%	State surveys conducted by field crews to determine each year's per pair prices across the state (varies with land quality). Nebraska divides the per pair price by 1.3 and multiply this by regional AUMs per Acre value. Next, they subtract any credits due to lessee from their fence and wells and round fee to the nearest \$0.05.	1,270,000	~2,222,500
NM	Determined on a case-by-case scenario. \$0.66 per acre OR \$3.50 per AUM	\$ 15.50	This example: 22.5%	Formula based on land's carrying capacity, forage value index, beef cattle prices, prices paid index (USDA data), and use NM-specific indices set by Board.	7,787,069	--
OR	\$ 9.96	\$ 16.50	60%	Use "greatest of" flat rate per AUM, flat rate per lease (i.e. alliquots), or formula. Formula based on land's carrying capacity, animal gain per month, average weighted calf prices from year prior, marketable calf crop, state share of calf gain.	622,385	62,867

Summary Table (cont.)

STATE	GRAZING FEE (per AUM)	PRIVATE RATE (NASS)	PERCENTAGE OF PRIVATE RATE	HOW FEE IS SET	ACRES UNDER LEASE	AUTHORIZED AUMS
SD	\$ 19.38	\$ 31.50	62%	State receives 25% of the 5-yr average price per pound for a 500-lbs. calf divided by 12 months for monthly income.	760,000	--
TX	\$0.25 - \$0.40 per acre OR \$65 - \$100 per AU	\$ 12.50	--	Case-by-case basis, market rates determined by field representatives.	680,000	--
UT	\$10.05 (block); \$5.82 (scattered)	\$ 16.50	61% (b) ; 35% (s)	Formula adopted 2009. Formula uses past year's block or scattered rate multiplied by the change in private lease rates over last 2 years. UT adopted change by incrementally increasing fees over 3-5 year period. Interviewed ranchers to determine these timeframes.	2,900,000	~205,000
WA	\$8.91 (block); \$13.60 (scattered)	\$ 14.00	64% (b) ; 97% (s)	Formula based on lessee's investment to land (improvement ownership), State's share of income from weight gained on state land, average past year's selling price of livestock per pound (NASS)	900,000	--
WY	\$ 6.38	\$ 21.50	30%	5-year average of private lease rate multiplied by weighted average parity ratio as an adjustment for changing market conditions, less 20% for contributions made by lessee.	3,471,000	~1,353,690



Office of State Lands and Investments

Questions?

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